

Request for City Council Committee Action from the Department of Intergovernmental Relations

Date: October 17, 2013

To: Council Vice President Robert Lilligren and Chair Elizabeth Glidden

Referral to: Committee of the Whole; IGR subcommittee

Subject: Federal, State, Local Update

Recommendation: Receive and File

Prepared by: IGR Staff	
Approved by:	
Presenters in Committee: Gene Ranieri, IGR Director	

Supporting Information

Federal.

The Congress passed and the President signed legislation on Wednesday (October 16) that ends the federal government shutdown and suspends the debt limit until February 7, 2014. The legislation includes the following:

- Funds the federal government at the current levels until January 15, 2014.
- Authorizes back-pay for furloughed federal workers.
- Appropriates funds to pay for costs related to suppressing wildfires in the western part of the country.
- Debt ceiling suspended until February 7, 2014.
- Establishes a budget conference committee chaired by Budget Committee Chairs Rep. Paul Ryan (R-WI) and Sen. Patty Murray (D-WA).
- Budget Conference Committee is charged to develop a budget resolution for consideration by the House and Senate by December 13, 2013. The resolution can include a multi-year budget blueprint.
- Requires e-verification as part of the application process for the Affordable Care Act. (No other changes were made to the Affordable Care Act).

The legislation essentially provides more time to reach a budget agreement. If there is no agreement Congress will need to adopt another Continuing Resolution prior to January 15, 2014. The January date is the day the second round of sequester reductions will be

implemented. The rate of reduction is estimated to be approximately 2%. Therefore Congress will need to determine if the sequester will continue, be replaced or repealed.

The Budget Conference could address several issues including but not limited to the Affordable Care Act, tax reform, entitlement (Medicare and Medicaid, FY 2014 appropriations and defense spending). Agreement on the issues within the limited timeframe will be difficult.

The Water Resources Reform and Development Act (WRRDA) is tentatively scheduled for House floor action next week. Congressional staff anticipate that the bill will pass with a few amendments. Rep. Ellison's Office is preparing information on the lock and dam language for distribution to House members.

State of Minnesota.

The House of Representatives Environment, Natural Resources and Agriculture Finance Committee conducted two hearings on October 7 and 8. The Committee heard presentations on studies that assessed the level of nitrates and chloride in the state's waters, the impact on the local aquifer of forest land in Cass County being converted to agricultural use and updates on Departmental activities including Asian carp. The committee will meet again before the start of the 2014 session and discuss possible legislation regarding the state's waters.

Next week the House Energy Committee will hold a hearing related to the implementation of the solar legislation enacted in 2013.

The Pensions Commission will have a hearing on October but the agenda has not yet been determined. It is anticipated that the MERF bill would be part of the agenda.